

Frequently Asked Questions: Professional Development Program Payback Requirements

The Data Collection System (DCS) system tracks participant information and payback obligation data for grant awards and participants funded in FY 2009 and forward. For grants awarded prior to FY 2009, please contact the Data Collection Center (DCC) HelpDesk at 1-888-884-7110 for information regarding your service payback obligation status.

Introduction to FAQs for the OIE Professional Development Program Work-Related Service Payback Requirements

The Professional Development (PD) program provides grants to eligible entities to—

- (1) Increase the number of qualified Indian individuals in professions that serve Indian people;
- (2) Provide training to qualified Indian individuals to become teachers, administrators, teacher aides, social workers, and ancillary educational personnel; and
- (3) Improve the skills of qualified Indian individuals who serve in the education field.

Grant awards are made to institutions of higher education (IHEs) through a competitive grant process. Awards can also be made to consortiums of IHEs with State or Local Education Agencies, Indian Tribes or organizations, or Bureau-funded schools. As a condition of participating in the Professional Development (PD) grant program, participants and institutions are required to comply with the payback obligation rules and requirements outlined in the program regulations at 34 CFR § 263.1-10. The full regulations can be found on the Department of Education (ED) website for the Office of Indian Education (OIE) (<http://www2.ed.gov/policy/elsec/leg/esea02/pg100.html#sec7122>). These regulations also implement the service payback obligation tracking requirements, which places the burden for ensuring that participants comply with their service obligation on the OIE. While OIE developed the following guidance document in response to questions frequently asked by grantees and participants, it does not cover all aspects of the regulations and should not be used alone.

To implement the service payback obligation tracking requirements, OIE established the Data Collection Center (DCC). Beginning in 2014, DCC will track the status of service payback for all PD program participants awarded grant funds in FY 2009 to the present.

General Information

- 1. Who is required to perform the service payback?**

All individuals that receive funds from the Professional Development (PD) program are required to complete a service payback obligation or repay all or a pro-rated part of the assistance received under the program as a cash repayment. For each academic month participants receive assistance, they must maintain full-time employment for the equivalent length of time or repay the Federal government for the portion of assistance they received that has not been repaid through service.

2. Does the work or repayment requirement apply to all categories of financial aid or Professional Development (PD) funding, or just certain kinds of financial aid or PD funding?

The payback obligation applies to all PD funding assistance provided directly to the participant. This includes all disbursements or credits intended to cover the cost of attendance, including tuition and fees allowances for books, supplies, transportation, miscellaneous personal expenses, allowances for room and board, stipends, dependent allowances, and travel in conjunction with training assignments. The participant's service payback obligation is based on the period of time for which the individual received financial assistance rather than on the amount of the assistance.

3. When a participant receives partial funding, what are the work or repayment requirements?

The service obligation for individual participants is calculated based solely on the number of academic months of training for which the participant received financial assistance. The amount of financial assistance disbursed, whether such financial assistance is used to cover part or all of a student's costs incurred during an academic year, has no effect on an individual participant's work-related or cash repayment commitments.

4. Are the payback agreements legally binding?

Yes. Institutions of Higher Education (IHE) are responsible for the accuracy of the information in the payback agreement which is a legally binding document (34 CFR § 263.8). As of September 4, 2013, all Professional Development (PD) program grants must use the standard payback agreement when a new participant is recruited.

Service Payback Obligation

5. How do participants fulfill their service payback obligation?

Participants are required to submit to the Office of Indian Education (OIE), within 30 days of completion or exit of their training program, notice of intent to fulfill their service payback obligation through work-related payback, or cash repayment. This notice will be submitted through the online Data Collection System (DCS). If the participant proposes a work-related payback, the participant will submit one or more employment records into the DCS that documents how the work-related service is related to the training received and how it benefits Indian people.

Participants will enter their employment information, including all contact information for their employer, via the DCS.

6. How is the length of the service payback obligation calculated?

The total amount of time to be served through employment as work-related service payback is equivalent to the total period of time training was funded. This time period is calculated by months of training received. If a participant receives grant funded training for a portion of a month, then his or her service payback obligation will be calculated to round up to the next full month. For example, if a participant receives funding for a semester that totals 3.5 months, the length of service payback obligation is calculated to be a total of 4 academic months. The service payback obligation total is based upon the accumulated total months of training for which the participant received financial assistance, not the amount of funding received.

7. Can participants fulfill their service payback while still enrolled in their grant-funded training program?

No. Participants must have completed/exited their training program before they can begin to fulfill their service payback obligation through employment.

8. If a participant is dismissed or drops out of a program for an academic or non-academic reason, will he or she be required to fulfill the work-related payback or cash repayment requirement?

Yes. The regulations apply to participants who are dismissed or drop out of a program in the same manner that they apply to all other Professional Development (PD) grant recipients.

9. When does the service payback obligation begin?

For all participants who complete their training under the Professional Development (PD) program, the service payback obligation begins within six months from the date of completion of the training. For participants who do not complete their training under the program, payback shall begin within six months from the date the participant leaves the PD program, unless he or she continues as a full-time student without interruption, in a program leading to a degree in an accredited institution of higher education. Participants are required to report to the Office of Indian Education (OIE) within 30 days of completing or leaving their program their intent to complete work-related service payback, cash repayment, or continue with their education.

10. How long do participants have to complete their service payback obligations?

The period of time within which a participant should complete their work-related service payback is calculated by adding the number of months of training received while in the program plus 12

months. For example, if a participant received 12 months of training he/she should plan to complete his/her service payback within 24 months from the date the individual completed his/her training or exited the Professional Development (PD) program.

11. What is full-time employment?

Full-time employment means a full-time position, as defined by the individual's employer or by the agencies served by the individual.

12. Must participants work on a full-time basis to satisfy their obligations?

No. Participants may fulfill the work-related service payback through full- or part-time employment. If a participant works part-time, he or she still must work the full-time equivalent of total months for which assistance was received. Participants who accept part-time employment should contact the Data Collection Center (DCC) HelpDesk for assistance entering part-time employment.

The Office of Indian Education (OIE) evaluates the creditability of part-time and substitute teaching toward service payback. Each part-time or substitute teaching position must meet the following criteria: 1) the participant is under contract with a school to perform teaching on an as needed basis, 2) the participant actually taught during the previous six (6) month period, 3) the participant reported employment worked for the previous period, 4) the work is performed for a full day, and 5) the work history demonstrates a legitimate effort to complete service payback.

Each case is evaluated on its own merit and reevaluated every six (6) months until payback is completed. To be creditable for service payback, employment must be verified by an authorized school official, principal, or immediate supervisor, and identify employment dates and location of assignment.

13. What is the legal basis for the U.S. Department of Education (ED), to require Institutions of Higher Education (IHEs) to provide Social Security numbers (SSNs) to the Data Collection Center?

In order to ensure that participants comply with their payback requirement (34 CFR 263.8), ED requires IHEs to provide the Data Collection Center (DCC) the SSNs of students who receive Professional Development (PD) program funds. This is authorized under 34 CFR § 99.31, which states that an IHE may disclose personally identifiable information from records of a student without the student's consent if the disclosure is in connection with financial aid of the student and is necessary to enforce the terms and conditions of the aid.

Repayment Requirements

14. What are the consequences of a participant's failure to satisfy the service payback obligation?

Participants who do not submit employment verification within the required timeframe or do not submit enough employment verification to satisfy their service obligation will automatically be referred for cash payback to fulfill their payback requirement. All participants referred to the Debt and Payment Management Group (DPMG) for cash payback will incur non-refundable administration fees to cover the cost of the cash payback referral. The amount referred for cash payback will begin to accrue interest charges at the federal interest rate published on the date of referral.

15. When does a participant enter repayment status?

Any participant who fails to meet the service payback obligation through eligible employment enters repayment status on the first day of the calendar month after the earliest of the following dates:

- (1) the date the participant informs the grantee or the Office of Indian Education (OIE) that he or she does not plan to fulfill the service payback obligation through work-related service under the agreement; or
- (2) twelve months after the date the participant's fails to begin or maintain and report employment. The Data Collection Center (DCC) must receive employment verification at 6 month intervals until the service payback obligation has been met.

16. Must participants work in an institution of higher education(IHE) or school district where the American Indian/Alaska Native student enrollment is greater than 5 percent?

While the Office of Indian Education (OIE) is tracking participant employment in targeted schools with American Indian/Alaska Native enrollment of 5 percent or more, this criterion is not considered a requirement for service payback. Eligible employment for service payback is any employment that is in the participant's field of study and benefits Indian people (ESEA 7122, 34 CFR 263.1).

17. Under what circumstances may repayment of the Professional Development (PD) funds be deferred?

The Office of Indian Education (OIE) may review a participant's payback deferment request and approve a deferment under the following condition:

- 1) Educational Deferment. (34 CFR § 263.9) If a participant leaves the PD program, but plans to continue his or her education as a full-time student, the participant has 30 days in which to apply for a deferment. Documentation must be provided to the Data Collection Center (DCC) and OIE and include the name and location of the institution of higher education, a copy of the letter of admission from the institution, the degree being sought, and the projected date of completion.

Participants who are approved for a deferral are required to report academic progress after every grading period, showing verification of enrollment and status.

18. How do participants request an educational deferral for their payback obligation?

Requests for educational deferments must be made through the Data Collection System (DCS) within 30 days of leaving the Professional Development (PD) program. Participants must provide the following information (34 CFR § 263.9(b))

- (i) The name of the accredited institution the student will be attending;
- (ii) A copy of the letter of admission from the institution;
- (III) The degree being sought; and
- (iv) The projected date of completion.

(2) After approval by the Secretary for deferment of the payback provision on the basis of continuing as a fulltime student, former participants are required to submit to the Secretary a status report from an academic advisor or other authorized representative of the institution of higher education, showing verification of enrollment and status, after every grading period.

Operational

19. What is a grantee's obligation with respect to participant repayment agreements?

An institution of higher education (IHE) receiving a Professional Development (PD) grant must ensure that any participant receiving funding from the grant signs and dates a standard payback agreement upon recruitment and prior to the initial disbursement of any grant funds on his or her behalf, including the payment or crediting of tuition (34 CFR § 263.8). The institution must fully disclose to the participant the terms and conditions of the repayment requirement in the application for funding under the PD grant.

Along with the payback agreement, all program participants must also complete a Certificate of Eligibility for Federal Assistance form (ED Form 80-0016) which the grantee will maintain on file.

20. Which entity is responsible for receiving and maintaining information and tracking the service payback obligation of the participants via the Data Collection System?

The Office of Indian Education (OIE) is responsible for ensuring that program participants fulfill their payback obligations. OIE has partnered with the Office of Special Education Programs (OSEP) and contracted with the Educational Policy Institute (www.educationalpolicy.org) and Westat (www.westat.com) to establish the Data Collection Center (DCC) to track and verify service payback

fulfillment for all Professional Development grant participants through the online Data Collection System (DCS). The DCS is monitored by DCC and OIE staff.

21. When will participants have access to their payback information?

Once a participant record is submitted by the grantee at the time of recruitment, a participant is given access to the database so he or she can monitor their payback information while in the program. Grantees are required to update the participant payback information in the DCS at the end of each semester. Participants will have real-time information regarding their future service obligation and the amount of funds received.

22. How will the service payback obligations of participants be monitored?

The Data Collection Center (DCC) was established to monitor the fulfillment of service payback obligations required of students who received Professional Development (PD) grant funds. DCC will track participant service payback for grants awarded in federal fiscal year 2009 and forward. DCC staff are available to answer questions and provide technical support for the online Data Collection System (DCS), by which all grantee's and participants input information regarding their involvement in OIE PD grant programs. The DCS is monitored by DCC and OIE staff.

23. Who collects the funds repaid by a participant if he or she does not fulfill the service payback obligation through eligible employment?

If a participant does not comply with the service payback requirement he or she will be referred to the Debt and Payment Management Group (DPMG) for a cash payback. The Department of Education (ED) is responsible for collecting any funds to be repaid; however, the actual collection may be conducted by ED, the U.S. Department of Treasury, a private collection agency, or the Internal Revenue Service.

DATA COLLECTION CENTER (DCC) CONTACT INFORMATION

E-mail: paybackobligations@ed.gov

HelpDesk, toll-free: 1-888-884-7110

Hours: Monday – Friday, 8 a.m. – 8 p.m. Washington, DC time